

Assembly Joint Resolution

No. 23

Introduced by Assembly Members Logue and Morrell
(Coauthors: Assembly Members Achadjian, Dahle, Beth Gaines,
Grove, Harkey, Jones, Olsen, Patterson, Wagner, Waldron, and
Wilk)

May 31, 2013

Assembly Joint Resolution No. 23—Relative to health care.

LEGISLATIVE COUNSEL'S DIGEST

AJR 23, as introduced, Logue. Federal Patient Protection and Affordable Care Act: requirement to purchase health insurance.

This measure would urge the President to remove any financial oversight responsibilities of the Internal Revenue Service with regard to the administration of the federal Patient Protection and Affordable Care Act and instead have those duties transferred to a separate board, created by and accountable to Congress.

Fiscal committee: no.

1 WHEREAS, On March 23, 2010, President Obama signed the
2 federal Patient Protection and Affordable Care Act (ACA), which
3 requires most United States citizens and legal residents to have
4 health insurance, specifies a minimum benefit design for insurance
5 coverage, creates state-based American Health Benefit Exchanges
6 through which individuals can purchase coverage with premium
7 and cost-sharing credits, requires employers to pay penalties for
8 employees who receive tax credits for health insurance through
9 an Exchange, imposes new regulations on health plans in the
10 Exchanges and in the individual and small group markets, permits

1 states to expand Medicaid, and provides the Internal Revenue
2 Service (IRS) with numerous new responsibilities; and

3 WHEREAS, The ACA gives the IRS the unprecedented power
4 to force individual citizens and employers with 50 or more
5 employees to either purchase a health insurance plan designed by
6 Washington D.C. politicians, bureaucrats, and lobbyists or pay
7 thousands of dollars in fines; and

8 WHEREAS, In implementing the ACA, the federal government
9 has unleashed the IRS to hunt down and fine otherwise law-abiding
10 individuals and employers; and

11 WHEREAS, The IRS has requested funding for 1,954 new
12 agents and the creation of the largest personal information database
13 the federal government has ever attempted, the Federal Data
14 Service Hub, in order to decide who is complying with the law,
15 who will be fined, who will receive hundreds of billions of dollars
16 in tax credits, and how much each health insurer will pay as a part
17 of a new annual \$8 billion tax; and

18 WHEREAS, Employers must begin recording the aggregate
19 cost of employer-sponsored medical coverage on every employee's
20 IRS Form W-2; and

21 WHEREAS, The IRS, in order to implement the ACA, will
22 receive information from insurers and taxpayers to prove whether
23 each citizen purchased an insurance policy this year, whether the
24 specific insurance policy meets specific government requirements,
25 whether the citizen is "a member of a recognized religious sect"
26 and therefore exempt from the individual mandate, and whether
27 the citizen and members of his or her family are working full-time
28 or part-time; and

29 WHEREAS, Because provisions of the employer mandate mean
30 that an employer can be fined by the IRS in certain circumstances
31 if the employer's employee qualifies for a subsidy from an
32 exchange due to changes in the employee's personal circumstances,
33 such as a spouse's lost coverage or a divorce, employers seeking
34 to avoid the IRS fine will be forced to demand detailed household
35 income information from their employees, which would result in
36 an unnecessary loss of an employee's and his or her family's
37 privacy; and

38 WHEREAS, In early 2012, the Inspector General for Tax
39 Administration began an audit that files using acceptable
40 government accounting standards to review case files; and

WHEREAS, The Inspector General for Tax Administration reported that in 2010, the IRS “developed and used criteria to identify potential political cases for review that inappropriately identified specific groups applying for tax-exempt status based on their names and policy positions...”; and

WHEREAS, The Inspector General’s report found that the IRS developed and began using criteria to review specific groups applying for tax-exempt status based on their names or policy positions instead of developing nonbiased criteria based on the tax laws and Treasury Regulations; and

WHEREAS, According to the Inspector General’s report, on January 15, 2012, the Internal Revenue Service decided to target “political action type organizations involved in limiting or expanding Government, educating on the Constitution and Bill of Rights, and social economic reform movement”; and

WHEREAS, Lois G. Lerner, the Internal Revenue Service official who oversaw tax-exempt groups, first revealed publicly on May 10, 2013, that IRS personnel had targeted the groups; and

WHEREAS, Sarah Hall Ingram, the IRS official who ran the scandal-ridden tax-exempt organizations division between 2009–2012 now runs the agency’s Affordable Care Act office; and

WHEREAS, It is inappropriate and unacceptable for one of the most powerful government agencies to target various groups for political purposes; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature calls on President of the United States and the United States Congress, as a first step, to remove any financial oversight responsibilities of the IRS with regard to the administration of the ACA; and be it further

Resolved, That the administrative responsibilities of the IRS with regard to the ACA be transferred to a separate board, created by and accountable to Congress; and be it further

Resolved, That this board, in accordance with the law and the of the people, will determine the mechanism for enforcement of the ACA; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the author for appropriate distribution, to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the

- 1 Senate, and to each Senator and Representative from California
- 2 in the Congress of the United States.

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